

CHAPMAN AND CUTLER LLP

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August 10, 2006

26496-A
RECORDATION NO.

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

AUG 10 '06 9-13 AM
SURFACE TRANSPORTATION BOARD

Re: The Kansas City Southern Railway Company
Leveraged Lease Financing
(KCSR 2006-1)

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of the Memorandum of Trust Indenture and Security Agreement (KCSR 2006-1), dated August 11, 2006, between the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee (the "Owner Trustee"), and Wells Fargo Bank Northwest, National Association, as indenture trustee (the "Indenture Trustee"), a secondary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Equipment Lease Agreement (KCSR 2006-1), dated August 11, 2006, between The Kansas City Southern Railway Company, as lessee (the "Lessee") and the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as Lessor which is being submitted for recording concurrently therewith.

The names and addresses of the parties to the enclosed document are as follows:

Owner Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration

Indenture Trustee: Wells Fargo Bank Northwest, National Association
299 South Main Street, 12th Floor
MAC: U1228-120

Law Offices of
CHAPMAN AND CUTLER LLP

Salt Lake City Utah 84111
Attention: Corporate Trust Department

The equipment covered as of the date hereof by the aforesaid Memorandum of Trust Indenture and Security Agreement consists of 30 SD70ACe Locomotives bearing the reporting marks within the series KCS 4000 through KCS 4029 and 3 SD70ACe Locomotives bearing the reporting marks within the series GM 71 through GM 73, inclusive or KCS 3997 through KCS 3999, inclusive; all as specifically described in Exhibit A attached hereto.

A short summary of the document to appear in the index follows:

Memorandum of Trust Indenture and Security Agreement (KCSR 2006-1) between the KCSR Trust 2006-1 acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee and Wells Fargo Bank Northwest, National Association, as Indenture Trustee.

A fee of thirty-four dollars (\$34.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Robert Alvord, Esq.
Alvord and Alvord
1050 Seventeenth Street, N.W.
Suite 301
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2991).

Sincerely,

CHAPMAN AND CUTLER LLP

By Michael D. Robson
Michael D. Robson

Enclosures

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive to become KCS 3997 through KCS 3999, inclusive

26496-A
REGISTRATION NO. 26496-A
JUL 10 2006 9:18 AM
SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT
(KCSR 2006-1)**

Memorandum of Trust Indenture and Security Agreement (KCSR 2006-1), made and entered into August 11, 2006, by and between KCSR Trust 2006-1 (the "*Trust*"), acting through Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, but solely as Owner Trustee ("*Owner Trustee*"), and Wells Fargo Bank Northwest, National Association, a national banking association, as Indenture Trustee ("*Indenture Trustee*").

WITNESSETH:

The undersigned have entered into that certain Trust Indenture and Security Agreement (KCSR 2006-1), dated as of August 2, 2006 (the "*Trust Indenture*"), by which the Trust has granted a security interest in certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto to the Indenture Trustee in order to secure the Trust's performance of its obligations as described in the Trust Indenture.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

KCSR TRUST 2006-1, acting through
WILMINGTON TRUST COMPANY, not in its
individual capacity, but solely as Owner
Trustee

By 
Name: **Michele C. Harra**
Title: **Financial Services Officer**

Executed on this 8th day of August, 2006.

WELLS FARGO BANK NORTHWEST, NATIONAL
ASSOCIATION

By _____
Name: **Brett R. King**
Title: **Vice President**

Executed on this ____ day of August, 2006.


IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

KCSR TRUST 2006-1, acting through
WILMINGTON TRUST COMPANY, not in its
individual capacity, but solely as Owner
Trustee

By _____
Name:
Title:

Executed on this ____ day of August, 2006.

WELLS FARGO BANK NORTHWEST, NATIONAL
ASSOCIATION

By 
Name:
Title: ~~WELLS FARGO~~
Vice President

Executed on this 8th day of August, 2006.

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this, the 8th day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared Michele C. Harra, who being by me duly sworn, says that (s)he is the Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on August 8th, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Amanda E. Gamble
Amanda E. Burger
Name: Amanda E. Gamble
Notary Public Amanda E. Burger
My Commission Expires Notary Public - State of Delaware
Residing in My Comm. Expires March 7, 2007

STATE OF UTAH)
) SS.:
COUNTY OF SALT LAKE)

On this, the ____ day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared Brett R. King, who being by me duly sworn, says that he is the Vice President of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, that said instrument was signed on August ____, 2006 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public _____
My Commission Expires: _____
Residing in _____

STATE OF UTAH)
):ss
COUNTY OF SALT LAKE)

On the 8th day of July, 2006, personally appeared before me Val T. Orton who being by me duly sworn did say, for himself, that he the said Val T. Orton is the Vice President of Wells Fargo Bank Northwest, National Association and that the within and foregoing instrument was signed in behalf of said association by authority of a resolution of its Board of Directors, and said Val T. Orton duly acknowledged to me that said association executed the same.



Notary Public

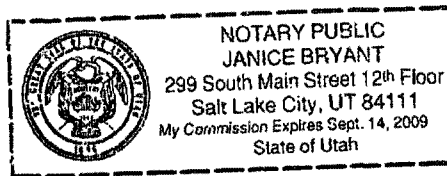


EXHIBIT A

UNITS

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		to become
		KCS 3997 through KCS 3999, inclusive

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

8/10/06



Robert W. Alvord